



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
www.ut.blm.gov

RECEIVED

DEC 24 2002

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:

3500

UTU-087809 et al

(UT-924)

DEC 23 2002

CERTIFIED MAIL—Return Receipt Requested

NOTICE

Reilly Industries, Inc.	:	Potassium Leases—UTU-087809,
Box 580	:	UTU-087810, UTU-087811,
Wendover, Utah 84083-0082	:	UTU-087812, UTU-087813,
	:	UTU-087814, UTU-087815,
	:	UTU-087816, UTU-087817,
	:	UTU-087818

Notice of Readjusted Leases

As provided in Section 3(d) of your leases dated January 1, 1963, Federal potassium leases UTU-087809, UTU-087810, UTU-087811, UTU-087812, UTU-087813, UTU-087814, UTU-087815, UTU-087816, UTU-087817 and UTU-087818, and the regulations under 43 CFR 3511.25, enclosed are the terms and conditions of your readjusted leases. The readjusted leases will become effective January 1, 2003, unless objections are received. The next 20-year readjustment will be January 1, 2023.

Currently, a \$55,000 statewide bond is on file with our office. It is hereby required that the statewide bond be increased to \$75,000 based upon the annual rental and minimum royalty due prior to January 1st of each year. This may be accomplished by a submission by the surety of a rider increasing the bond amount to \$75,000. Rider must be filed in this office within 60 days of your receipt of this letter. Upon completion of the review of the mining plan, the bond will be increased to cover the cost of reclamation.

Under the readjusted terms of the lease, the annual rental and minimum royalty payments are due in advance before January 1st of each year. The rental is set at the rate of \$1.00 per acre or fraction thereof per year and the annual minimum royalty in lieu of production is set at the rate of \$3.00 per acre or a fraction thereof per year. As provided at 43 CFR 3504.25, the rental paid for any lease year shall be credited against the minimum royalty and production royalties for that year only. Therefore, the annual rental/minimum royalty payments due for the above listed leases are as follows:

<u>Lease</u>	<u>Rental</u>	<u>Minimum Royalty</u>	<u>Total</u>
UTU-087809	\$2,501	\$5,002	\$7,503
UTU-087810	\$2,528	\$5,056	\$7,584
UTU-087811	\$2,551	\$5,102	\$7,653
UTU-087812	\$2,490	\$4,980	\$7,470
UTU-087813	\$2,560	\$5,120	\$7,680
UTU-087814	\$2,120	\$4,240	\$6,360
UTU-087815	\$2,559	\$5,118	\$7,677
UTU-087816	\$2,319	\$4,638	\$6,957
UTU-087817	\$2,519	\$5,038	\$7,557
UTU-087818	\$2,557	\$5,114	\$7,671
Total:	\$24,704	\$49,408	\$74,112

Bonds are rounded up to the next \$1,000.

Production royalties on the leases will be 3 percent of the quantity or gross value of the output of potassium compounds and related products at the point of shipment to market.

In accordance with 43 CFR 3511.26(a), you have 60 days after receiving the proposed readjusted terms to object. If we do not receive your objection within 60 days, the proposed readjusted terms will be in effect. If you file an objection, BLM will issue a decision in response. If you disagree with the decision, you may appeal to the Interior Board of Land Appeals.

/s/ Robert Lopez

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosures

10 Readjusted Leases (6pp ea.)

cc: Salt Lake Field Office, Attn: Brad Palmer, 2370 South 2300 West, SLC, UT 84119 (w/encl)
Reilly Industries, Inc., 300 N. Meridian Street, Indianapolis, IN 46204 (w/encl)(certified)
Stoel Rives LLP, Attn: John S. Kirkham, 201 S. Main Street, Suite 1100, SLC, UT 84111
(w/encl)(certified)
Mr. Lowell Braxton, UDOGM, Box 145801, Salt Lake City, UT 84114-5801 (w/encl)
SITLA, Attn: John Blake, 675 East 500 South, Suite 500, Salt Lake City, UT 84102 (w/encl)
Resource Development Coordinating Committee (w/encl)
MMS, Solid Minerals Staff (w/encl)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-087809

READJUSTED POTASSIUM LEASE

PART I. LEASE RIGHTS GRANTED.

This ☒ Lease ^{Readjustment} ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

Reilly Industries, Inc.

Box 580

Wendover, UT 84083-0082

hereinafter called lessee, is effective (date)

January 1, 2003

, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of _____ years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsonite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each ²⁰ year period, unless otherwise provided by law.

Sec. 1. This lease is ~~made~~ ^{readjusted} pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) _____ formal _____ now or hereafter, when _____; and to the regulations and ~~general mining~~ ^{general mining} orders of the Secretary of the Interior in force ~~on the date this lease is issued~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the potassium deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 2 S., R. 18 W., SLM, UT

Sec. 1, lots 1,2, S2NE, SENW, E2NWSW, NESW, S2SW, SE;

Sec. 11, E2NENE, E2SWNE, SENE, E2NESW, E2SWSW, SESW, SE;

Sec. 12, W2;

Sec. 13, W2;

Sec. 14, all;

Sec. 15, E2NENE, E2SWNE, SENE, S2.

containing 2,500.04 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☐ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☐ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☒ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) RENTAL CREDITS - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) PRODUCTION ROYALTIES - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

(b) MINIMUM ANNUAL PRODUCTION AND MINIMUM ROYALTY - (1) Lessee shall produce on an annual basis a minimum amount of , except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. Lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to initiation of the lease year, the authorized officer may allow in writing the payment of a \$3.00 per acre or fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. REDUCTION AND SUSPENSION - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$75,000 statewide, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall either submit or provide lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

SEE ATTACHED STIPULATIONS

STIPULATIONS

WASTE CERTIFICATION: The Lessee must provide upon abandonment, transfer of operation, assignment of rights, upon changing the mining plan or prior to lease relinquishment, certification to the Lessor and the Bureau of Land Management (hereinafter, "BLM"), that, based upon a complete search of all the operator's records for the mine, and upon their knowledge of past operations, there have been no hazardous substances or used oil [*as per Utah State Management Rule R-315-15*], deposited, released, or discharged within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor and BLM a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or transported to, the lease. Such disclosure will be in addition to any other disclosure required by law or agreement.

ARCHAEOLOGY: If surface disturbance is planned, the Lessee shall contact the BLM, Salt Lake Field Office for a determination of whether an archaeological survey should be conducted. If it is determined that a survey should be conducted, it shall be in accordance with the instructions given by the Salt Lake Field Office Manager. Any significant cultural properties identified must be either avoided or impacts mitigated as determined in consultation with the State Historic Preservation Officer. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The Lessee is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the Lessee is to immediately stop work that might further disturb such materials and contact the Authorized Officer (AO).

Within five working days after contacting the BLM's SLFO, the AO will inform the Lessee as to: 1) whether the materials appear eligible for the National Historic Register of Historic Places; 2) the mitigation measures that the Lessee will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and, 3) a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

DITCHES & BERMS: The Lessee shall fill in any pits, ditches, and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the leased land and access roads to their former conditions, including removal of structures, as and if required.

NOTICE TO LESSEE

Bonneville Salt Flats Area of Critical Environmental Concern

Portions of the lease area are encumbered by the Bonneville Salt Flats Area of Critical Environmental Concern. The Bureau of Land Management's Land Use Plan identified objectives aimed at preservation of the scenic, historical, and geological resource values of the salt crust. Lease actions must be consistent with those objectives.

Bonneville Salt Flats Historic Site

The Bonneville Salt Flats Raceway is listed on the National Register of Historic Places, in recognition of its importance to racing and world land speed records. All lease actions must avoid impacting the raceway or impacts must be mitigated as determined in consultation with the State Historic Preservation Officer.

**ROYALTY TERMS AND CONDITIONS
POTASSIUM LEASES**

PRODUCTION ROYALTY: The royalty on production will be 3 percent of the quantity or gross value of the output of potassium compounds and related products at the point of shipment to market.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-087810

READJUSTED POTASSIUM LEASE

PART I. LEASE RIGHTS GRANTED.

Readjustment

This ☒ Lease ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

Reilly Industries, Inc.

Box 580

Wendover, UT 84083-0082

hereinafter called lessee, is effective (date) January 1, 2003, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of _____ years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsomite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each ²⁰ year period, unless otherwise provided by law.

Sec. 1. This lease is ~~issued~~ pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) _____ formal _____ now or hereafter, when _____; and to the regulations and ~~general mining~~ orders of the Secretary of the Interior in force ~~on the date this lease is issued~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the potassium deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 21 S., R. 17 W., SLM, UT
Sec. 7, all;
Sec. 8, W2;
Sec. 17, W2;
Sec. 18, all.

T. 21 S., R. 18 W., SLM, UT
Sec. 12, E2;
Sec. 13, E2.

containing 2,527.36 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☐ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☐ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☒ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) RENTAL CREDITS - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) PRODUCTION ROYALTIES - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

(b) MINIMUM ANNUAL PRODUCTION AND MINIMUM ROYALTY - (1) Lessee shall produce on an annual basis a minimum amount of _____, except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. Lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to initiation of the lease year, the authorized officer may allow in writing the payment of a \$3.00 per acre or fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. REDUCTION AND SUSPENSION - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$75,000 statewide, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall either submit or provide lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq), the Clean Air Act (42 U.S.C. 7401 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

SEE ATTACHED STIPULATIONS

STIPULATIONS

WASTE CERTIFICATION: The Lessee must provide upon abandonment, transfer of operation, assignment of rights, upon changing the mining plan or prior to lease relinquishment, certification to the Lessor and the Bureau of Land Management (hereinafter, "BLM"), that, based upon a complete search of all the operator's records for the mine, and upon their knowledge of past operations, there have been no hazardous substances or used oil [*as per Utah State Management Rule R-315-15*], deposited, released, or discharged within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor and BLM a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or transported to, the lease. Such disclosure will be in addition to any other disclosure required by law or agreement.

ARCHAEOLOGY: If surface disturbance is planned, the Lessee shall contact the BLM, Salt Lake Field Office for a determination of whether an archaeological survey should be conducted. If it is determined that a survey should be conducted, it shall be in accordance with the instructions given by the Salt Lake Field Office Manager. Any significant cultural properties identified must be either avoided or impacts mitigated as determined in consultation with the State Historic Preservation Officer. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The Lessee is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the Lessee is to immediately stop work that might further disturb such materials and contact the Authorized Officer (AO).

Within five working days after contacting the BLM's SLFO, the AO will inform the Lessee as to: 1) whether the materials appear eligible for the National Historic Register of Historic Places; 2) the mitigation measures that the Lessee will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and, 3) a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

DITCHES & BERMS: The Lessee shall fill in any pits, ditches, and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the leased land and access roads to their former conditions, including removal of structures, as and if required.

NOTICE TO LESSEE

Bonneville Salt Flats Area of Critical Environmental Concern

Portions of the lease area are encumbered by the Bonneville Salt Flats Area of Critical Environmental Concern. The Bureau of Land Management's Land Use Plan identified objectives aimed at preservation of the scenic, historical, and geological resource values of the salt crust. Lease actions must be consistent with those objectives.

Bonneville Salt Flats Historic Site

The Bonneville Salt Flats Raceway is listed on the National Register of Historic Places, in recognition of its importance to racing and world land speed records. All lease actions must avoid impacting the raceway or impacts must be mitigated as determined in consultation with the State Historic Preservation Officer.

ROYALTY TERMS AND CONDITIONS POTASSIUM LEASES

PRODUCTION ROYALTY: The royalty on production will be 3 percent of the quantity or gross value of the output of potassium compounds and related products at the point of shipment to market.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-087811

READJUSTED POTASSIUM LEASE

PART I. LEASE RIGHTS GRANTED.

This ☒ Lease ^{Readjustment} ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

Reilly Industries, Inc.

Box 580

Wendover, UT 84083-0082

hereinafter called lessee, is effective (date) January 1, 2003, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of _____ years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsonite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each ²⁰ year period, unless otherwise provided by law.

Sec. 1. This lease is ^{readjusted} ~~issued~~ pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) _____ formal _____ now or hereafter, when _____; and to the regulations and ~~general mining~~ orders of the Secretary of the Interior in force ~~on the date this lease is issued~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the potassium deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 2 S., R. 17 W., SLM, UT
Sec. 4, lots 2-4, SWNE, S2NW, SW, W2SE;
Sec. 5, all;
Sec. 6, lots 6, 7, E2SW, SE;
Sec. 8, E2;
Sec. 9, W2, W2E2;
Sec. 17, E2.

containing 2,550.61 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☐ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☐ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☒ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) RENTAL CREDITS - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) PRODUCTION ROYALTIES - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

(b) MINIMUM ANNUAL PRODUCTION AND MINIMUM ROYALTY - (1) Lessee shall produce on an annual basis a minimum amount of , except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. Lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to initiation of the lease year, the authorized officer may allow in writing the payment of a \$3.00 per acre or fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. REDUCTION AND SUSPENSION - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$75,000 statewide, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall either submit or provide lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq), the Clean Air Act (42 U.S.C. 7401 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

SEE ATTACHED STIPULATIONS

STIPULATIONS

WASTE CERTIFICATION: The Lessee must provide upon abandonment, transfer of operation, assignment of rights, upon changing the mining plan or prior to lease relinquishment, certification to the Lessor and the Bureau of Land Management (hereinafter, "BLM"), that, based upon a complete search of all the operator's records for the mine, and upon their knowledge of past operations, there have been no hazardous substances or used oil [*as per Utah State Management Rule R-315-15*], deposited, released, or discharged within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor and BLM a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or transported to, the lease. Such disclosure will be in addition to any other disclosure required by law or agreement.

ARCHAEOLOGY: If surface disturbance is planned, the Lessee shall contact the BLM, Salt Lake Field Office for a determination of whether an archaeological survey should be conducted. If it is determined that a survey should be conducted, it shall be in accordance with the instructions given by the Salt Lake Field Office Manager. Any significant cultural properties identified must be either avoided or impacts mitigated as determined in consultation with the State Historic Preservation Officer. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The Lessee is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the Lessee is to immediately stop work that might further disturb such materials and contact the Authorized Officer (AO).

Within five working days after contacting the BLM's SLFO, the AO will inform the Lessee as to: 1) whether the materials appear eligible for the National Historic Register of Historic Places; 2) the mitigation measures that the Lessee will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and, 3) a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

DITCHES & BERMS: The Lessee shall fill in any pits, ditches, and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the leased land and access roads to their former conditions, including removal of structures, as and if required.

NOTICE TO LESSEE

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Portions of the lease area are encumbered by the Bonneville Salt Flats Area of Critical Environmental Concern. The Bureau of Land Management's Land Use Plan identified objectives aimed at preservation of the scenic, historical, and geological resource values of the salt crust. Lease actions must be consistent with those objectives.

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The Bonneville Salt Flats Raceway is listed on the National Register of Historic Places, in recognition of its importance to racing and world land speed records. All lease actions must avoid impacting the raceway or impacts must be mitigated as determined in consultation with the State Historic Preservation Officer.

ROYALTY TERMS AND CONDITIONS POTASSIUM LEASES

PRODUCTION ROYALTY: The royalty on production will be 3 percent of the quantity or gross value of the output of potassium compounds and related products at the point of shipment to market.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-087812

READJUSTED POTASSIUM LEASE

PART I. LEASE RIGHTS GRANTED.

This ☒ Lease ^{Readjustment} ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

Reilly Industries, Inc.

Box 580

Wendover, UT 84083-0032

hereinafter called lessee, is effective (date) January 1, 2003, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsonite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each 20 year period, unless otherwise provided by law.

Sec. 1. This lease is ~~issued~~ ^{readjusted} pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) formal now or hereafter, when ; and to the regulations and ~~general mining~~ ^{general mining} orders of the Secretary of the Interior in force on the date this lease is issued, not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the potassium deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 1 S., R. 17 W., SLM, UT
Sec. 7, lots 1,2,E2NW,E2SW,E2NWSW;
Sec. 18, E2E2NW,E2;
Sec. 19, E2,E2SENW,E2NESW,SESW;
Sec. 30, lot 4,E2,E2W2,E2SWNW,E2NWSW;
Sec. 31, all.

T. 2 S., R. 17 W., SLM, UT
Sec. 6, lots 1-5,SENW,S2NE.

containing 2,489.34 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☐ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☐ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☒ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) RENTAL CREDITS - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) PRODUCTION ROYALTIES - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

(b) MINIMUM ANNUAL PRODUCTION AND MINIMUM ROYALTY - (1) Lessee shall produce on an annual basis a minimum amount of _____, except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. Lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to initiation of the lease year, the authorized officer may allow in writing the payment of a \$3.00 per acre or fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. REDUCTION AND SUSPENSION - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$75,000 statewide, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall either submit or provide lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq), the Clean Air Act (42 U.S.C. 7401 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

SEE ATTACHED STIPULATIONS

STIPULATIONS

WASTE CERTIFICATION: The Lessee must provide upon abandonment, transfer of operation, assignment of rights, upon changing the mining plan or prior to lease relinquishment, certification to the Lessor and the Bureau of Land Management (hereinafter, "BLM"), that, based upon a complete search of all the operator's records for the mine, and upon their knowledge of past operations, there have been no hazardous substances or used oil [*as per Utah State Management Rule R-315-15*], deposited, released, or discharged within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor and BLM a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or transported to, the lease. Such disclosure will be in addition to any other disclosure required by law or agreement.

ARCHAEOLOGY: If surface disturbance is planned, the Lessee shall contact the BLM, Salt Lake Field Office for a determination of whether an archaeological survey should be conducted. If it is determined that a survey should be conducted, it shall be in accordance with the instructions given by the Salt Lake Field Office Manager. Any significant cultural properties identified must be either avoided or impacts mitigated as determined in consultation with the State Historic Preservation Officer. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The Lessee is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the Lessee is to immediately stop work that might further disturb such materials and contact the Authorized Officer (AO).

Within five working days after contacting the BLM's SLFO, the AO will inform the Lessee as to: 1) whether the materials appear eligible for the National Historic Register of Historic Places; 2) the mitigation measures that the Lessee will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and, 3) a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

DITCHES & BERMS: The Lessee shall fill in any pits, ditches, and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the leased land and access roads to their former conditions, including removal of structures, as and if required.

NOTICE TO LESSEE

Bonneville Salt Flats Area of Critical Environmental Concern

Portions of the lease area are encumbered by the Bonneville Salt Flats Area of Critical Environmental Concern. The Bureau of Land Management's Land Use Plan identified objectives aimed at preservation of the scenic, historical, and geological resource values of the salt crust. Lease actions must be consistent with those objectives.

Bonneville Salt Flats Historic Site

The Bonneville Salt Flats Raceway is listed on the National Register of Historic Places, in recognition of its importance to racing and world land speed records. All lease actions must avoid impacting the raceway or impacts must be mitigated as determined in consultation with the State Historic Preservation Officer.

**ROYALTY TERMS AND CONDITIONS
POTASSIUM LEASES**

PRODUCTION ROYALTY: The royalty on production will be 3 percent of the quantity or gross value of the output of potassium compounds and related products at the point of shipment to market.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-087813

READJUSTED POTASSIUM LEASE

PART I. LEASE RIGHTS GRANTED.

Readjustment

This ☒ Lease ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

Reilly Industries, Inc.

Box 580

Wendover, UT 84083-0032

hereinafter called lessee, is effective (date) January 1, 2003, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsonite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each 20 year period, unless otherwise provided by law.

Sec. 1. This lease is ~~issued~~ ^{readjusted} pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) formal now or hereafter, when ; and to the regulations and ~~general mining~~ orders of the Secretary of the Interior in force ~~on the date this lease issued~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the potassium deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 1 S., R. 17 W., SLM, UT

Sec. 20, E2, SW;

Sec. 21, W2E2, W2;

Sec. 28, W2E2, W2;

Sec. 29, all;

Sec. 33, W2E2, W2.

containing 2,560.00 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☐ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☐ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☒ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) RENTAL CREDITS - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) PRODUCTION ROYALTIES - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

(b) MINIMUM ANNUAL PRODUCTION AND MINIMUM ROYALTY - (1) Lessee shall produce on an annual basis a minimum amount of _____, except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. Lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to initiation of the lease year, the authorized officer may allow in writing the payment of a \$3.00 per acre or fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. REDUCTION AND SUSPENSION - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$75,000 statewide, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall either submit or provide lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq), the Clean Air Act (42 U.S.C. 7401 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

SEE ATTACHED STIPULATIONS

STIPULATIONS

WASTE CERTIFICATION: The Lessee must provide upon abandonment, transfer of operation, assignment of rights, upon changing the mining plan or prior to lease relinquishment, certification to the Lessor and the Bureau of Land Management (hereinafter, "BLM"), that, based upon a complete search of all the operator's records for the mine, and upon their knowledge of past operations, there have been no hazardous substances or used oil [*as per Utah State Management Rule R-315-15*], deposited, released, or discharged within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor and BLM a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or transported to, the lease. Such disclosure will be in addition to any other disclosure required by law or agreement.

ARCHAEOLOGY: If surface disturbance is planned, the Lessee shall contact the BLM, Salt Lake Field Office for a determination of whether an archaeological survey should be conducted. If it is determined that a survey should be conducted, it shall be in accordance with the instructions given by the Salt Lake Field Office Manager. Any significant cultural properties identified must be either avoided or impacts mitigated as determined in consultation with the State Historic Preservation Officer. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The Lessee is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the Lessee is to immediately stop work that might further disturb such materials and contact the Authorized Officer (AO).

Within five working days after contacting the BLM's SLFO, the AO will inform the Lessee as to: 1) whether the materials appear eligible for the National Historic Register of Historic Places; 2) the mitigation measures that the Lessee will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and, 3) a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

DITCHES & BERMS: The Lessee shall fill in any pits, ditches, and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the leased land and access roads to their former conditions, including removal of structures, as and if required.

NOTICE TO LESSEE

Bonneville Salt Flats Area of Critical Environmental Concern

Portions of the lease area are encumbered by the Bonneville Salt Flats Area of Critical Environmental Concern. The Bureau of Land Management's Land Use Plan identified objectives aimed at preservation of the scenic, historical, and geological resource values of the salt crust. Lease actions must be consistent with those objectives.

Bonneville Salt Flats Historic Site

The Bonneville Salt Flats Raceway is listed on the National Register of Historic Places, in recognition of its importance to racing and world land speed records. All lease actions must avoid impacting the raceway or impacts must be mitigated as determined in consultation with the State Historic Preservation Officer.

ROYALTY TERMS AND CONDITIONS
POTASSIUM LEASES

PRODUCTION ROYALTY: The royalty on production will be 3 percent of the quantity or gross value of the output of potassium compounds and related products at the point of shipment to market.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-087814

READJUSTED POTASSIUM LEASE

PART I. LEASE RIGHTS GRANTED.

Readjustment

This ☒ Lease ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

Reilly Industries, Inc.

Box 580

Wendover, UT 84083-0032

hereinafter called lessee, is effective (date) January 1, 2003, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsonite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each 20 year period, unless otherwise provided by law.

readjusted

Sec. 1. This lease is ~~issued~~ pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) formal now or hereafter, when ; and to the regulations and ~~general mining~~ orders of the Secretary of the Interior in force ~~on the date this lease is issued~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the potassium deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 1 N., R. 17 W., SLM, UT
Sec. 34, E2SE.

T. 1 S., R. 17 W., SLM, UT
Sec. 3, lot 4, SWNW;
Sec. 4, SE;
Sec. 7, S2NE, SE;
Sec. 8, E2NE, SWNE, S2NW, SW, W2SE;
Sec. 9, N2;
Sec. 17, all;
Sec. 20, NW.

containing 2,119.81 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☐ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☐ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☒ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) RENTAL CREDITS - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) PRODUCTION ROYALTIES - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

(b) MINIMUM ANNUAL PRODUCTION AND MINIMUM ROYALTY - (1) Lessee shall produce on an annual basis a minimum amount of , except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. Lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to initiation of the lease year, the authorized officer may allow in writing the payment of a \$3.00 per acre or fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. REDUCTION AND SUSPENSION - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$75,000 statewide, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall either submit or provide lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

SEE ATTACHED STIPULATIONS

STIPULATIONS

WASTE CERTIFICATION: The Lessee must provide upon abandonment, transfer of operation, assignment of rights, upon changing the mining plan or prior to lease relinquishment, certification to the Lessor and the Bureau of Land Management (hereinafter, "BLM"), that, based upon a complete search of all the operator's records for the mine, and upon their knowledge of past operations, there have been no hazardous substances or used oil [*as per Utah State Management Rule R-315-15*], deposited, released, or discharged within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor and BLM a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or transported to, the lease. Such disclosure will be in addition to any other disclosure required by law or agreement.

ARCHAEOLOGY: If surface disturbance is planned, the Lessee shall contact the BLM, Salt Lake Field Office for a determination of whether an archaeological survey should be conducted. If it is determined that a survey should be conducted, it shall be in accordance with the instructions given by the Salt Lake Field Office Manager. Any significant cultural properties identified must be either avoided or impacts mitigated as determined in consultation with the State Historic Preservation Officer. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The Lessee is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the Lessee is to immediately stop work that might further disturb such materials and contact the Authorized Officer (AO).

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DITCHES & BERMS: The Lessee shall fill in any pits, ditches, and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the leased land and access roads to their former conditions, including removal of structures, as and if required.

NOTICE TO LESSEE

Bonneville Salt Flats Area of Critical Environmental Concern

Portions of the lease area are encumbered by the Bonneville Salt Flats Area of Critical Environmental Concern. The Bureau of Land Management's Land Use Plan identified objectives aimed at preservation of the scenic, historical, and geological resource values of the salt crust. Lease actions must be consistent with those objectives.

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The Bonneville Salt Flats Raceway is listed on the National Register of Historic Places, in recognition of its importance to racing and world land speed records. All lease actions must avoid impacting the raceway or impacts must be mitigated as determined in consultation with the State Historic Preservation Officer.

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PRODUCTION ROYALTY: The royalty on production will be 3 percent of the quantity or gross value of the output of potassium compounds and related products at the point of shipment to market.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-087815

READJUSTED POTASSIUM LEASE

PART I. LEASE RIGHTS GRANTED.

This ☒ Lease ^{Readjustment} ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

Reilly Industries, Inc.

Box 580

Wendover, UT 84083-0082

hereinafter called lessee, is effective (date) January 1, 2003, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of _____ years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsonite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each ²⁰ year period, unless otherwise provided by law.

Sec. 1. This lease is ~~issued~~ ^{readjusted} pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) _____ formal _____ now or hereafter, when _____; and to the regulations and ~~general mining~~ ^{general mining} orders of the Secretary of the Interior in force ~~on the date this lease is issued~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the potassium deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 1 N., R. 17 W., SLM, UT
Sec. 35, S2.

T. 1 S., R. 17 W., SLM, UT
Sec. 3, lots 1-3, S2NE, SENW, S2;
Sec. 8, E2SE;
Sec. 9, S2;
Sec. 10, all;
Sec. 11, W2;
Sec. 15, W2.

containing 2,558.43 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☐ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) **RENTAL RATE** - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☐ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☒ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) **RENTAL CREDITS** - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) **PRODUCTION ROYALTIES** - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

(b) **MINIMUM ANNUAL PRODUCTION AND MINIMUM ROYALTY** - (1) Lessee shall produce on an annual basis a minimum amount of , except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. Lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to initiation of the lease year, the authorized officer may allow in writing the payment of a \$3.00 per acre or fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. **REDUCTION AND SUSPENSION** - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. **BONDS** - Lessee shall maintain in the proper office a lease bond in the amount of \$75,000 statewide, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. **DOCUMENTS, EVIDENCE AND INSPECTION** - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall either submit or provide lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. **DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS** - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. **PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY** - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq), the Clean Air Act (42 U.S.C. 7401 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

Sec. 14. SPECIAL STIPULATIONS -

SEE ATTACHED STIPULATIONS

STIPULATIONS

WASTE CERTIFICATION: The Lessee must provide upon abandonment, transfer of operation, assignment of rights, upon changing the mining plan or prior to lease relinquishment, certification to the Lessor and the Bureau of Land Management (hereinafter, "BLM"), that, based upon a complete search of all the operator's records for the mine, and upon their knowledge of past operations, there have been no hazardous substances or used oil [*as per Utah State Management Rule R-315-15*], deposited, released, or discharged within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor and BLM a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or transported to, the lease. Such disclosure will be in addition to any other disclosure required by law or agreement.

ARCHAEOLOGY: If surface disturbance is planned, the Lessee shall contact the BLM, Salt Lake Field Office for a determination of whether an archaeological survey should be conducted. If it is determined that a survey should be conducted, it shall be in accordance with the instructions given by the Salt Lake Field Office Manager. Any significant cultural properties identified must be either avoided or impacts mitigated as determined in consultation with the State Historic Preservation Officer. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The Lessee is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the Lessee is to immediately stop work that might further disturb such materials and contact the Authorized Officer (AO).

Within five working days after contacting the BLM's SLFO, the AO will inform the Lessee as to: 1) whether the materials appear eligible for the National Historic Register of Historic Places; 2) the mitigation measures that the Lessee will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and, 3) a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

DITCHES & BERMS: The Lessee shall fill in any pits, ditches, and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the leased land and access roads to their former conditions, including removal of structures, as and if required.

NOTICE TO LESSEE

Bonneville Salt Flats Area of Critical Environmental Concern

Portions of the lease area are encumbered by the Bonneville Salt Flats Area of Critical Environmental Concern. The Bureau of Land Management's Land Use Plan identified objectives aimed at preservation of the scenic, historical, and geological resource values of the salt crust. Lease actions must be consistent with those objectives.

Bonneville Salt Flats Historic Site

The Bonneville Salt Flats Raceway is listed on the National Register of Historic Places, in recognition of its importance to racing and world land speed records. All lease actions must avoid impacting the raceway or impacts must be mitigated as determined in consultation with the State Historic Preservation Officer.

ROYALTY TERMS AND CONDITIONS POTASSIUM LEASES

PRODUCTION ROYALTY: The royalty on production will be 3 percent of the quantity or gross value of the output of potassium compounds and related products at the point of shipment to market.

UNITED STATES
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BUREAU OF LAND MANAGEMENT

Serial Number

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Reilly Industries, Inc.

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☐ (Other) formal now or hereafter, when ; and to the regulations and ~~general mining~~ ^{general mining} orders of the Secretary of the Interior in force on the date this lease is issued, not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the potassium deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 1 N., R. 16 W., SLM, UT
Sec. 19, lots 3,4,E2SW;
Sec. 30, lots 1-4,E2W2.

T. 1 N., R. 17 W., SLM, UT
Sec. 25, all;
Sec. 26, all;
Sec. 27, E2E2;
Sec. 34, E2NE;
Sec. 35, N2.

containing 2,318.86 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☐ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) **RENTAL RATE** - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☐ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☒ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) **RENTAL CREDITS** - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) **PRODUCTION ROYALTIES** - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

(b) **MINIMUM ANNUAL PRODUCTION AND MINIMUM ROYALTY** - (1) Lessee shall produce on an annual basis a minimum amount of , except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. Lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to initiation of the lease year, the authorized officer may allow in writing the payment of a \$3.00 per acre or fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. **REDUCTION AND SUSPENSION** - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. **BONDS** - Lessee shall maintain in the proper office a lease bond in the amount of \$75,000 statewide, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

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shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

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Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. **PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY** - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

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Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

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Potassium, Phosphate, Gilsomite -

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☐ (Other) . formal now or hereafter, when ; and to the regulations and ~~general mining~~ orders of the Secretary of the Interior in force ~~on the date this lease issued~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the potassium deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 1 N., R. 16 W., SLM, UT
Sec. 18, lots 3,4,E2SW;
Sec. 19, lots 1,2,E2NW.

T. 1 N., R. 17 W., SLM, UT
Sec. 13, S2;
Sec. 14, SE,E2SW,SWSW;
Sec. 22, E2;
Sec. 23, all;
Sec. 24, all.

containing 2,518.64 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☐ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☐ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☒ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) RENTAL CREDITS - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) PRODUCTION ROYALTIES - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

(b) MINIMUM ANNUAL PRODUCTION AND MINIMUM ROYALTY - (1) Lessee shall produce on an annual basis a minimum amount of , except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. Lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to initiation of the lease year, the authorized officer may allow in writing the payment of a \$3.00 per acre or fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. REDUCTION AND SUSPENSION - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of \$75,000 statewide, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall either submit or provide lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 9. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all or portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all wells in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such

Sec. 14. SPECIAL STIPULATIONS -

waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities on the leased lands, and reclaim access roads or trails.

Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 11. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 12. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 13. SPECIAL STATUTES - This lease is subject to the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) the Clean Air Act (42 U.S.C. 7401 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation.

SEE ATTACHED STIPULATIONS

STIPULATIONS

WASTE CERTIFICATION: The Lessee must provide upon abandonment, transfer of operation, assignment of rights, upon changing the mining plan or prior to lease relinquishment, certification to the Lessor and the Bureau of Land Management (hereinafter, "BLM"), that, based upon a complete search of all the operator's records for the mine, and upon their knowledge of past operations, there have been no hazardous substances or used oil [*as per Utah State Management Rule R-315-15*], deposited, released, or discharged within the lease, either on the surface or underground, and that all remedial actions necessary have been taken to protect human health and the environment with respect to any such substances. Lessee must additionally provide to Lessor and BLM a complete list of all hazardous substances and hazardous materials and their Chemical Abstract Services Registry Numbers, and the oil and petroleum products used or stored on, or transported to, the lease. Such disclosure will be in addition to any other disclosure required by law or agreement.

ARCHAEOLOGY: If surface disturbance is planned, the Lessee shall contact the BLM, Salt Lake Field Office for a determination of whether an archaeological survey should be conducted. If it is determined that a survey should be conducted, it shall be in accordance with the instructions given by the Salt Lake Field Office Manager. Any significant cultural properties identified must be either avoided or impacts mitigated as determined in consultation with the State Historic Preservation Officer. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The Lessee is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the Lessee is to immediately stop work that might further disturb such materials and contact the Authorized Officer (AO).

Within five working days after contacting the BLM's SLFO, the AO will inform the Lessee as to: 1) whether the materials appear eligible for the National Historic Register of Historic Places; 2) the mitigation measures that the Lessee will likely have to undertake before the site can be used (assuming in-situ preservation is not necessary); and, 3) a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

DITCHES & BERMS: The Lessee shall fill in any pits, ditches, and other excavations, remove or cover all debris, and so far as reasonably possible, restore the surface of the leased land and access roads to their former conditions, including removal of structures, as and if required.

NOTICE TO LESSEE

Bonneville Salt Flats Area of Critical Environmental Concern

Portions of the lease area are encumbered by the Bonneville Salt Flats Area of Critical Environmental Concern. The Bureau of Land Management's Land Use Plan identified objectives aimed at preservation of the scenic, historical, and geological resource values of the salt crust. Lease actions must be consistent with those objectives.

Bonneville Salt Flats Historic Site

The Bonneville Salt Flats Raceway is listed on the National Register of Historic Places, in recognition of its importance to racing and world land speed records. All lease actions must avoid impacting the raceway or impacts must be mitigated as determined in consultation with the State Historic Preservation Officer.

**ROYALTY TERMS AND CONDITIONS
POTASSIUM LEASES**

PRODUCTION ROYALTY: The royalty on production will be 3 percent of the quantity or gross value of the output of potassium compounds and related products at the point of shipment to market.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-087818

READJUSTED POTASSIUM LEASE

PART I. LEASE RIGHTS GRANTED.

Readjustment

This ☒ Lease ☐ Lease Renewal entered into by and between the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and (Name and Address)

Reilly Industries, Inc.

Box 580

Wendover, UT 84083-0082

hereinafter called lessee, is effective (date) January 1, 2003, for a period of 20 years,

Sodium, Sulphur, Hardrock -

☐ with preferential right in the lessee to renew for successive periods of years under such terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the expiration of any period.

Potassium, Phosphate, Gilsonite -

☒ and for so long thereafter as lessee complies with the terms and conditions of this lease which are subject to readjustment at the end of each 20 year period, unless otherwise provided by law.

Sec. 1. This lease is ~~issued~~ ^{readjusted} pursuant and subject to the terms and provisions of the:

☒ Mineral Leasing Act of 1920, as amended, and supplemented, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

☐ Reorganization Plan No. 3 of 1946, 60 Stat. 1099 and 43 U.S.C. 1201;

☐ (Other) formal now or hereafter, when ; and to the regulations and ~~general mining~~ orders of the Secretary of the Interior in force ~~on the date this lease is issued~~ not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to explore for, drill for, mine, extract, remove, beneficiate, concentrate, or otherwise process and dispose of the potassium deposits and associated minerals hereinafter referred to as "leased deposits," in, upon, or under the following described lands:

T. 1 N., R. 16 W., SLM, UT
Sec. 6, lots 5-7, SENW, E2SW;
Sec. 7, lots 1-4, E2W2;
Sec. 18, lots 1, 2, E2NW.

T. 1 N., R. 17 W., SLM, UT
Sec. 1, SENE, SE;
Sec. 11, SE;
Sec. 12, all;
Sec. 13, N2;
Sec. 14, N2, NWSW;
Sec. 15, SE.

containing 2,556.74 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

Phosphate -

☐ In accordance with Section 11 of the Act (30 U.S.C. 213), lessee may use deposits of silica, limestone, or other rock in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or other lands upon payments of royalty as set forth on the attachment to this lease. (Phosphate leases only.)

PART II. TERMS AND CONDITIONS

Sec. 1. (a) **RENTAL RATE** - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate indicated below:

Sulphur, Gilsonite -

☐ 50 cents for the first lease year and each succeeding lease year;

Hardrock -

☐ \$1 for the first lease year and \$1 for each succeeding lease year;

Phosphate -

☐ 25 cents for the first lease year, 50 cents for the second and third lease years, and \$1 for each and every lease year thereafter;

Potassium, Sodium -

☒ 25 cents for the first calendar year or fraction thereof, 50 cents for the second, third, fourth, and fifth calendar years respectively, and \$1 for the sixth and each succeeding calendar year; or

Sodium, Sulphur, Asphalt, and Hardrock Renewal Leases -
☐ \$ for each lease year;

(b) **RENTAL CREDITS** - The rental for any year will be credited against the first royalties as they accrue under the lease during the year for which rental was paid.

Sec. 2. (a) **PRODUCTION ROYALTIES** - Lessee shall pay lessor a production royalty in accordance with the attached schedule. Such production royalty is due the last day of the month next following the month in which the minerals are sold or removed from the leased lands.

(b) **MINIMUM ANNUAL PRODUCTION AND MINIMUM ROYALTY** - (1) Lessee shall produce on an annual basis a minimum amount of _____, except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. Lessor may permit suspension of operations under the lease when marketing conditions are such that the lease cannot be operated except at a loss. (2) At the request of the lessee, made prior to initiation of the lease year, the authorized officer may allow in writing the payment of a \$3.00 per acre or fraction thereof minimum royalty in lieu of production for any particular lease year. Minimum royalty payments shall be credited to production royalties for that year.

Sec. 3. **REDUCTION AND SUSPENSION** - In accordance with Section 39 of the Mineral Leasing Act, 30 U.S.C. 209, the lessor reserves the authority to waive, suspend or reduce rental or minimum royalty, or to reduce royalty, and reserves the authority to assent to or order the suspension of this lease.

Sec. 4. **BONDS** - Lessee shall maintain in the proper office a lease bond in the amount of \$75,000 statewide, or in lieu thereof, an acceptable statewide or nationwide bond. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 5. **DOCUMENTS, EVIDENCE AND INSPECTION** - At such times and in such form as lessor may prescribe, lessee

shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, work, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

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While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 6. **DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS** - Lessee shall exercise reasonable diligence, skill, and care in the operation of the property, and carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health or property, and of waste or damage to any water or mineral deposits.

Lessee shall not conduct exploration or operations, other than casual use, prior to receipt of necessary permits or approval of plans of operations by lessor.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, and the approved mining plans in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, minerals, and other resources, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures.

Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder or the approval of easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 7. **PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY** - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are

situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 8. (a) TRANSFERS - This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

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Sec. 14. SPECIAL STIPULATIONS -

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Sec. 10. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, now existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

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